

Office of Management Services Customer-Centric Report

July 1, 2009 - June 30, 2010



Mission statement

The mission of the Comptroller's Office is to improve the quality of life for all Tennesseans by making government work better.

Overview

The Office of Management Services (OMS) provides administration and support services to the divisions of the Comptroller's Office in the following areas:

- business administration management;
- human resources management;
- budgetary and financial management and
- information technology management

OMS provides administrative and support services to State agencies in the following area:

- procurement oversight services

OMS employee demographics

OMS employees have earned numerous degrees and certifications and participate in professional organizations. With the combined years of service, degrees and certifications, OMS employees are valued for their knowledge and experience.

Degrees

	2009	2010
Bachelor degree	23	21
Master degree	5	6
Associate degree	2	4
Law degree	1	2
Total	31	33

Certifications

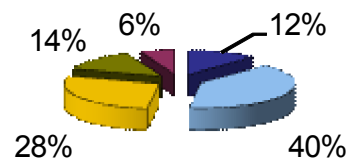
	2009	2010
Attorney	1	1
Certified Government Financial Manager (CGFM)	6	6
Certified Professional Secretary (CPS)	8	8
Certified Public Accountant (CPA)	3	2
Certified Fraud Examiner (CFE)	1	1
Certified Information Systems Auditor (CISA)	1	0
Certified Software Quality Engineer (CSQE)	1	1
Total	21	19

Strategic Priorities

OMS' strategic plan for FY 2010 consists of 18 objectives, and the following 7 have been selected as strategic priorities as reported in the performance-based budget:

- provide a secure, reliable and efficient information technology (IT) infrastructure;
- develop and maintain IT solutions by applying the Comptroller's IT project methodology;
- provide high quality customer services by meeting customers' needs;
- provide for the continuous, timely and accurate processing of disbursements, travel claims and purchase requests;
- provide on a centralized basis administrative services and assistance in the areas of payroll and personnel;
- provide prompt, efficient and superior services and products to all customers and
- offer recommendations to the procurement or contract process which may result in potential savings to the state.

Years of State Service



- Less than 5 years
- 5 - 10 years
- 11 - 20 years
- 21 - 30 years
- Over 31 years

What's featured

Overview and priorities
Our accomplishments
OMS financial
Future challenges

Our accomplishments



Comptroller Procurement Oversight

Procurement Reform -- Our office was instrumental in passing legislation that will result in the creation of a consolidated procurement process for goods and services in Tennessee, Public Chapter 1098.

The Comptroller Procurement Oversight staff formed a workgroup in August 2009 with the objective of creating a more open, competitive, fair and streamlined procurement process that is easy for vendors to understand and citizens to monitor. The workgroup gathered best practices from other states and the National Association of Procurement Officials and focused on issues and recommendations specific to Tennessee from Finance and Administration's (F&A) Procurement Assessment Report issued in 2006.

F&A's executive summary provided "First, the statutory authority for procurement in this state is divided: there is one path for procuring goods and routine services, and another path for procuring professional services. Each path has its own rules, players, decision makers, databases, technology, policies and staff. In addition, without a single entity in charge of, or accountable for, statewide procurement spending, there is currently no easy way to manage a coherent, comprehensive, statewide strategy for procurement."

The new law, which was approved with bipartisan support, requires the purchasing of goods and services to be combined under the oversight of one office with a single leader. This focus on creating a single entity was the first step toward procurement reform in Tennessee as recommended in F&A's 2006 report. Passage of this law is the starting point toward potentially creating substantial cost savings for the State. Perhaps more important than the potential dollar savings, the law opens the process up for major reforms to bring about greater accountability, competition and fairness in the procurement process and our taxpayers will be able to see more clearly how their tax dollars are spent. The law also places more emphasis on professional development and training for state employees who are involved in the procurement process.

In FY 2010, the Comptroller's Procurement Oversight section experienced unprecedented changes in staff, reorganization and process streamlining due to the change in processing in Edison. During the year, the Comptroller procurement oversight staff reviewed over 2,600 contract or procurement documents representing over \$18.5 billion committed state expenditures during FY 2010.

Information Technology (IT)

The following are some of the major accomplishments for IT this year:

- Transparency and Accountability for Government (TAG) provides a gateway for citizens to obtain revenue and expenditure data for Tennessee county governments.
- On-line Map Ordering is IT's first website to allow ordering of products from the Comptroller's GIS mapping service.
- The Risk Repository Application provides storage and retrieval of risk assessment data for departments audited by State Audit.

- E-report and E-contracts applications allow the creation of electronic contracts between audited organizations, CPAs and our audit divisions along with having third party financial audit reports automatically available to the public.
- The Comptroller's Office recently entered into an Enterprise Agreement (EA) with Microsoft for Enterprise server and desktop software products. With the EA, bundled licensing provides significant cost savings to the organization as well as keeping our infrastructure and business areas up to date.
- The Comptroller and all division Internet websites have been revised to be more user friendly, navigable and accommodating to visitors. On-going revisions will focus on providing more dynamic features and functionality.

Administration

The Administration section has undergone quite a few changes this year including reorganization and working toward streamlining processes. Several functions including contract and RFP coordination, facilities management, officewise systems business lead and tenant representative/management were moved from various areas within OMS and centralized in Administration. It has been a large undertaking for the staff to learn new roles and develop processes. However, this section has accomplished a great deal including establishing contracts, reconfiguring office areas to maximize the operational use of space and assisting in the advancement of several officewise systems.

Fiscal Services

The Comptroller's Office continues to make reductions and be more efficient with fewer resources. One example is the Comptroller's Capitol Print Shop closed on June 30, 2010 due to reduced printing requests and budget constraints. The Department of General Services, Printing and Media Services Division and Postal Services Division will serve our customer base in FY 2011.

Human Resources

In October 2009, the Comptroller's Office successfully changed from a monthly pay cycle to a semi-monthly pay cycle. This change enabled us to reflect accurate leave and time reports instead of projecting the last two weeks of each month. It also reduced the amount of manual leave corrections that occur each month. This could not have happened without the support of the staff from Edison, Benefits Administration, Payroll, Human Resources and the dedicated employees within our office.

OMS statistics	FY 08	FY 09	FY 10
Fiscal Services			
Revenue and expense transactions*	14,770	12,634	10,280
Human Resources			
# of Employees (served semi-monthly)	566	538	528
Administration & Procurement Oversight			
Contracts/RFPs reviewed	4,357	3,602	2,691
Information Technology			
Help desk calls resolved	1,653	1,491	1,669
Web updates	241	900	681
Operations and print jobs	1,114	4,111	6,543

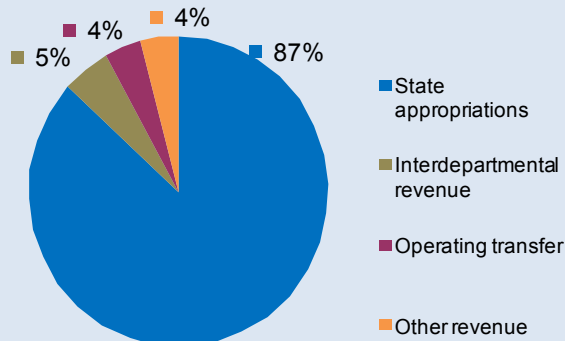
* FY 08 and 09 calculated using the number of line items per transaction.

OMS financial



Sources of funds

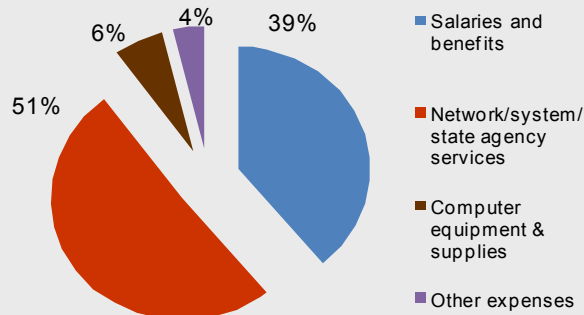
Sources of funds FY 2009 - 2010



Sources of funds (thousands)	FY 08	FY 09	FY 10
State appropriations	\$6,290.6	\$9,756.6	\$9,654.4
Interdepartmental revenue	632.0	574.6	584.4
Operating transfer	260.0	368.5	430.0
Other revenue	277.3	79.7	461.9
Total sources	\$7,459.9	\$10,779.4	\$11,130.7

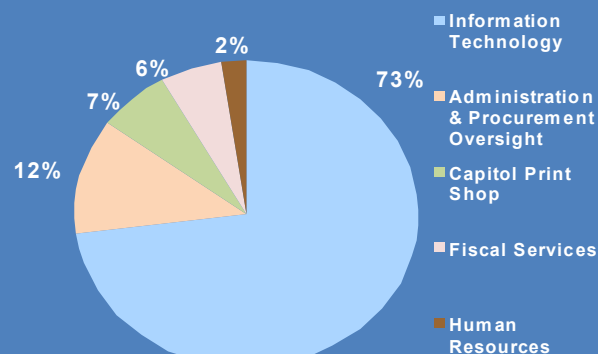
Expenses by major sources and functions

Expenses by major sources FY 2009-2010



Expenses by major sources (thousands) FY 08	FY 09	FY10	
Salaries and benefits	\$4,096.2	\$4,204.1	\$4,340.3
Network/System/State agency services	1,852.9	3,000.1	5,669.4
Computer equipment & supplies	721.7	2,668.4	694.0
Other expenses	782.8	906.8	427.0
Total expenses	\$7,453.6	\$10,779.4	\$11,130.7

Expenses by functions FY 2009 - 2010



Expenses by functions (thousands) FY 08	FY 09	FY 10	
Information Technology	\$4,591.8	\$7,814.9	\$8,123.1
Admin & Procurement Oversight	935.7	939.4	1,358.1
Capitol Print Shop	886.5	825.0	749.2
Fiscal Services	727.7	770.8	642.9
Human Resources	311.9	429.3	257.4
Total expenses	\$7,453.6	\$10,779.4	\$11,130.7

Independent audit

The State's Comprehensive Annual Financial Report (CAFR) has not been audited as of the date of this report. The reports are located at: www.tennessee.gov/finance/act/cafr.html.

Future challenges



"We are living in unprecedented economic times. Change is difficult, but we must seize the opportunity during these times to embrace change to help us work smarter, not harder."

-- Melinda Parton --

Melinda Parton, CGFM
Director of Management Services

The Office of Management Services experienced significant changes in the last year in how we do business with the implementation of Edison in our human resource management, fiscal management and contract oversight management sections. Management's challenge in the future is to focus on the change brought about by the new processes in Edison to identify risks and implement proper controls to mitigate new risks.

Procurement Reform

While the new law creating a consolidated procurement process has been approved, there is still much work ahead to make sure the goals and objectives of the legislation are met and reform is properly implemented.

Our office has been charged with helping to ensure that the law is carried out in the manner in which legislators intended and ensuring the procurement process reform focuses on accountability and an open, competitive and fair process to make purchases. The new process will make it easier for vendors to understand and citizens to monitor.

Until this new law is fully implemented, it is difficult to identify how great the potential cost savings could be. However, there are other states that have adopted similar reforms that resulted in tens of millions of dollars worth of savings.

The key element to success toward procurement reform currently rests with the next Governor and his appointment of a Chief Procurement Officer. The law requires policy decisions to be made in one place after input has been received from state agencies and vendors.

Economic Challenges

The State's economic condition continues to affect all state agencies, and our office is affected by unprecedented budget reductions. The Comptroller's Office will apply budget cuts of \$6.5 M due to mandatory FY 2011 across-the-board reductions. Our reductions represent 11% of the Comptroller's operating appropriations, and we are preparing for these now. OMS has been challenged with fewer resources, forcing us to look for efficiencies and the depth or extent to which services can be performed.

We have adopted a motto of "working smarter, not harder." In doing so, we have worked diligently in reviewing and streamlining processes. The increased use of technology will continue to enable us to save time, money and effort in the future in many areas of operation. Space and logistical issues regarding records retention are proving to be a great opportunity for better utilization of technology. Office space is costly and limited, and the electronic storage of files and records is a great alternative to file cabinets, and even archives. The challenge going forward with this endeavor is the use of staff time to scan and process the documents for electronic storage, but the long-term gain is the reduced need for file cabinets and space as well as the increased ability to retrieve documents from an employee's desktop computer.

The mere change of manual processes to electronic processes is a great undertaking, but the long-term benefits will be great. We will continue to meet challenges and help institute change with flexibility and an understanding of the precepts of state procurement statutes, rules and policies and procedures.

Technology Opportunities

The future for IT is exciting. One recent article regarding new technologies states the future for IT has gone from 5-year planning to 3-year planning to now 18-month planning. OMS/IT takes that responsibility seriously and is always looking at inexpensive ways to enable the Comptroller business units to do their jobs. Here are some of our challenges:

- Anticipate problems before they occur and resolve them quickly as well as maintain equipment for a longer term as compared to previous years.
- Create web pages with databases and interactivity to provide users with more real-time information.
- Create web pages with mobile users in mind.
- Ensure connectivity to the Internet and other services provided by the Office for Information Resources and keep the state employees network safe from hackers, viruses and malware.
- Remain aware of the technologies to provide our customers the best possible web presence 24x7x365.

For more information about this office, visit our website at:
www.comptroller.state.tn.us/managementservices.htm

Office of Management Services
Suite 1400, James K. Polk Bldg.
505 Deaderick Street
Nashville, TN 37243
615-401-7720 Main Office
615-532-2224 Fax



We want to hear from you. Do you like this report? Should it include any other information? Let us know by emailing
Karen.B.Hale@tn.gov